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## **THREE CURRENT AND FORMER ALASKA STATE LEGISLATORS INDICTED ON PUBLIC CORRUPTION CHARGES**

WASHINGTON -- A current elected member of the Alaska State House of Representatives and two former members, including a one-time Speaker of the House, have been indicted and arrested on multiple charges arising out of a federal investigation into public corruption in the state of Alaska, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The indictments charge Victor H. Kohring, a current member of the Alaska State House of Representatives first elected in 1994; former Alaska House member Bruce Weyrauch, an attorney and member of the Alaska House from 2002 to January 2007; and Peter Kott, a member of the House from 1992 to 2007 who served as Speaker from Jan. 1, 2003 to Dec. 31, 2004. All three defendants were arrested today in Juneau, Alaska.

A four-count indictment returned by a federal grand jury in Anchorage on May 3, 2007 and unsealed today charges Kohring with one count of extortion under color of official right, one count of bribery, one count of attempted extortion under color of official right, and one count of conspiracy. The indictment alleges that Kohring solicited and received financial benefits from an entity identified in the indictment as "Company A," and that in exchange for those benefits, Kohring performed official acts as a member of the Alaska state legislature to further the company's business interests.

Specifically, the indictment alleges that Company A, a multinational corporation that provided services to the energy, resource and process industries and to the public sector, had significant financial interests in contracts from oil producers in Alaska, natural gas pipeline legislation, and a legislative proposal called the "petroleum production tax," or PPT, that would change the taxation of oil production.

The indictment alleges that in a series of meetings, Kohring corruptly solicited, demanded and accepted from the company's chief executive officer and a vice president a series of things of value -- including \$2,100 to \$2,600 in cash payments and a \$3,000 job for a relative of his -- and also solicited, but did not receive, a \$17,000 loan to pay credit card debt. Official acts taken in return included, according to the indictment: voting in favor of the PPT bill supported by Company A; lobbying other elected officials to support versions of the PPT bill; and providing official support for the natural gas pipeline legislation and the PPT bill.

A seven-count indictment returned by a federal grand jury in Anchorage on May 3, 2007, and unsealed today charges Kott and Weyhrauch with one count of conspiracy to commit extortion under color of official right, bribery, and honest services mail and wire fraud. The indictment also charges Kott with one count of extortion under color of official right, one count of bribery, and one count of honest services wire fraud, and charges Weyhrauch with one count of attempted extortion under color of official right, one count of bribery, and one count of honest services mail fraud. The indictment alleges that Kott and Weyhrauch each corruptly solicited and/or received multiple financial benefits from Company A in exchange for each legislator's agreement to perform official acts as a member of the Alaska state legislature to further the company's business interests.

According to the indictment, Kott corruptly solicited, and the company agreed to provide, employment for Kott after he left the state legislature, as well as other things of value. At a meeting in April 2006 with the company's vice president and, via teleconference, the CEO, Kott said he had been successful in getting other state legislators to support the oil tax legislation favored by Company A, and that he believed the bill would pass. Kott allegedly said in a meeting with the company's CEO and vice president on May 7, 2006, that he had worked to kill an amendment to the PPT bill because Company A's CEO told him to do so. According to the indictment, Kott said, "I had to get 'er done. So I had to come back and face this man right here [pointing to the CEO]. I had to cheat, steal, beg, borrow and lie." In June 2006, Kott allegedly worked with Weyhrauch to seek an adjournment of a special session of the House before lawmakers could vote on an amendment to the PPT bill that the company did not support. In return for these and other actions, Kott demanded and Company A -- through the CEO and vice president -- provided \$8,993 in payments, \$2,750 in expenses paid to a polling company that worked for Kott's re-election campaign, and a future contract for Kott as a lobbyist for the company.

Weyhrauch allegedly solicited employment from Company A after he left the State House. Weyhrauch allegedly told the company's executives that he would support their position on the PPT bill. After mistakenly voting the "wrong way" on an amendment that the company and representatives of three other oil companies did not support, Weyhrauch changed his vote on instructions from Kott and the company's CEO.

The indictment alleges that Weyhrauch, like Kott, voted in favor of versions of the PPT bill supported by Company A and the three other companies, lobbied other lawmakers for their support, and offered assistance to Company A and its executives by providing official support for the natural gas pipeline and the PPT bill.

"These two indictments allege that the defendants sold their offices in Alaska's State House to an influential energy company in exchange for cash payments, loans, jobs for relatives and the promise of future employment," said Assistant Attorney General Alice S. Fisher. "There is no room for bribery and extortion at any level of government -- federal, state or local. We will work hard to bring to justice elected officials who betray their duty to their constituents. I thank the federal prosecutors on this case and the team of agents from the FBI and IRS for their dedication to this investigation."

“The citizens of Alaska deserve upstanding and ethical public officials serving in their state legislature. The public servants indicted today conspired to perform official acts in exchange for monetary and other financial gain to the detriment of Alaska, its economy, and its citizenry,” said Assistant Director Kenneth W. Kaiser, FBI Criminal Investigative Division. “The FBI will continue to work with our local, state and federal partners to combat public corruption across all levels of government. No corrupt public servant is exempt from FBI scrutiny.”

If convicted, Kohring, Kott and Weyhrauch each face a maximum penalty of 20 years in prison and a \$250,000 fine on the extortion counts; a maximum penalty of 10 years in prison and a \$250,000 fine on the bribery count; and a maximum penalty of five years in prison and a \$250,000 fine on the conspiracy count. Kott and Weyhrauch also each face a maximum penalty of 20 years in prison and a \$250,000 fine on the honest services mail and wire fraud counts.

An indictment is merely an accusation and defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

This case is being prosecuted by trial attorneys Nicholas A. Marsh and Edward P. Sullivan of the Criminal Division’s Public Integrity Section, headed by Chief William M. Welch, II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case is being investigated by the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigative Division.

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